

"Small Business.....the Heart of our Economy"

Summary of HHS' Small Business Program for Fiscal Year 2006

The mission of the Department Health and Human Services' (HHS) Small Business Program is to promote the procurement preference program. This summary provides information on goals and achievements under the procurement preference program. Progress made in all our small business categories for FY 2006, represents an increase over the previous fiscal year.

This summary show highlights in the categories listed below:

- Prime Contract Awards
- Small Business Awards
- 8(a) Awards
- Small Disadvantaged Business Awards
- Women-owned Small Business Awards
- HUBZone Awards
- Service-Disabled Veteran-owned Small Business Awards
- Outreach Program
- Small Business Competitiveness Demonstration Program

The dollars represented in this summary, cover all acquisitions resulting from appropriated funds to purchase goods and services from sources outside the Federal Government. The data includes information on individual contract actions that were over \$25,000.

The Office of Small and Disadvantaged Business Utilization, (OSDBU), is an advocate for the small business community. We partner with our program offices, acquisition personnel and many vendors, to create customer satisfaction while supporting the vital mission of this Department. Our vision is to "unify the business process" which fully supports the "ONE HHS". Our agenda is focused on the following areas:

1. Policy;
2. Programs; and
3. Outreach Activities.

The background for these programs and activities are based on federal legislation. Every federal agency with procurement authority is required by the Small Business Act of 1953, *as amended by public law 95-507*, to establish an office which reports to and only to, the Head of the Agency or its Deputy. The OSDBU Director is responsible for implementing and carrying out the duties and functions under the Small Business Act. This office carefully monitors policy to ensure that it reflects the needs of the small business community. We also share information on procurement policies and procedures and provide guidance on programs that nurture entrepreneurial endeavors.

Significant emphasis is placed on the implementation of White House, Congressional and Office of Management and Budget policy initiatives that impact the small business community. Procurement goals are in concert with direction set by the Small Business Administration (SBA) and accomplishments in achieving agency-wide goals reflect the commitment of the Department to all small business concerns. Our programs are geared to assist the entire small business community.

The OSDBU Director is an active member of the Department's Executive Committee on Acquisition, a group comprised of senior-level acquisition officials. This office regularly reviews all policies as it relates to small businesses. In FY 2006, the OSDBU office continued to work closely with various leaders in each operating division to ensure that they provided acquisition opportunities for small businesses to effectively compete.

Fiscal Year 2006 Achievements

The Department's acquisition dollar amount is used as the base for percentage calculations. HHS is measured and judged based on the data that is pulled from the Federal Procurement Data System (FPDS), by SBA. Below is a summary chart showing HHS' achievements versus goals for FY 2006.

Category	FY 2006 Actual (\$ - %)	FY 2006 Goals, <i>established by SBA</i> (\$ - %)
	<i>Dollars in Millions</i>	
Total Acquisition	\$11,498	\$7,600
Small Business Awards	\$2,638 - 22.94%	\$2,304 - 30.3%
Small Disadvantaged Business Awards <i>(8(a) data is included)</i>	\$ 684 - 5.95%	\$418 - 5.50%
8(a) Awards	\$ 350 - 3.04%	\$418 - 5.50%
Women-owned Small Business Awards	\$ 577 - 5.02%	\$384 - 5.05%
HUBZone Awards	\$ 201 - 1.75%	\$230 - 3.03%
Service-Disabled Veteran- owned Awards	\$ 35 - 0.31%	\$228 - 3.00%

Small Business Program

The Federal government's policy is that a fair portion of total acquisitions be awarded to small businesses. It is HHS' policy to set-aside acquisitions entirely for small businesses when there is a reasonable expectation that responses will be received from two or more small businesses to ensure competition. The small business set-aside program has enabled a greater number of small business concerns to participate in the department's programs.

Small Disadvantaged Business Program

Executive Orders 12432 and 13170 require Federal agencies to implement programs that will provide greater economic opportunities for small disadvantaged businesses. HHS' efforts to increase small disadvantaged business awards are as follows:

- Subcontract awards by prime contractors,
- Direct awards to small disadvantaged businesses, and
- Awards placed through SBA, under Section 8(a) of the Small Business Act.

Women-Owned Small Business Program

Executive Order 12138 created the President's Advisory Committee on Women Business Ownership and challenged the Federal Government to assist women-owned businesses in their growth and development. HHS extends a particular effort to ensure that women-owned businesses have an equitable opportunity to participate in the Department's procurement programs. For more information concerning the Women-Owned Small Business Program, [click here](#).

HUBZone Program

This program seeks to encourage economic development in Historically Underutilized Business Zones – "HUBZone" – through the establishment of preferences for award of Federal contracts to small businesses located in such areas. The HUBZone Empowerment Contracting Program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the U. S. Small Business Administration.

Service-Disabled Veteran-Owned Small Business Program

The purpose of the "*Veterans Entrepreneurship and Small Business Development Act of 1999*", (P. L. 106-50), is to expand existing and establish new assistance programs for veterans who own or operate small businesses. The Act accomplishes this purpose by:

1. expanding the eligibility for certain small business assistance programs to include veterans;
2. directing certain departments and agencies of the United States to take actions that enhance small business assistance to veterans; and
3. establishing new institutions to provide small business assistance to veterans or to support the institutions that provide such assistance.

The statute set government-wide goals at three percent for service-disabled veteran-owned small businesses.

Outreach Activities

OSDBU establishes and maintains outreach programs for small, small disadvantaged, 8(a), women-owned, HUBZone and service-disabled veteran-owned small businesses to provide a flow of information to these concerns about HHS' small business programs. Outreach activities are an integral facet of our agenda. This office partners and/or participates with other federal agencies, i.e., Veteran's Administration, Commerce, Small Business Administration, etc., in various small business outreach efforts.

Outreach Activities Include:

- Providing counseling and marketing assistance to firms interested in doing business with HHS;
- Participating in conference workshops sponsored by Federal, State, and local governments;
- Participating in Congressionally sponsored acquisition conferences;
- Participating in special small, small disadvantaged, women-owned and service-disabled veteran-owned small business events; and
- Participating in annual conferences sponsored by National and Regional organizations.

Vendor Outreach Sessions

OSDBU continues to conduct monthly "Vendor Outreach Sessions", which provides information on how to do business with HHS. These sessions offer participants, a comprehensive overview of the organizational structure of HHS. If you would like to register, [click here](#). Each session includes the following:

- Marketing techniques for potential contractors on how to make their capabilities and services known.
- Information from either a program office representative or a contracting officer.
- One-on-one meetings with each component.
- Copies of our technical assistance publications.

Small Business Competitiveness Demonstration Program

The Small Business Competitive Demonstration Program was established by Title VII of Public Law 100-656, the "Business Opportunity Reform Act of 1988". The program began on January 1, 1989. It is being conducted under the test authority established by Section 15 of the Office of Federal Procurement Policy (OFPP) Act. The Small Business Administration is designated as Executive Agent for conducting the test. The purposes of the program are threefold:

- To determine if small businesses can successfully compete on an unrestricted basis for Federal contracts;
- To determine if the use of targeted goaling techniques can expand small business participation in areas where Federal contracting opportunities have been historically low despite adequate numbers of qualified small business contractors in the economy; and

- To demonstrate whether the expanded use of full and open competition adversely affects small business participation in certain industry groups.

Under this program, small business set-asides are eliminated for procurements with an anticipated award value of more than \$25,000. For architectural and engineering (A&E) services, the value is \$50,000. The other designated industry groups are Construction, Refuse Systems & Related Services and Non-nuclear Ship Repair. The following data reflects HHS' accomplishments in Fiscal Year 2006.

Small Business Competitive Demonstration Program Designated Industry Groups (DIGs)

<u>Category</u>	<u>Percentage</u>
<u>Construction:</u>	
Small Business	67.8
Emerging Small Business	40.5
<u>Selected NAICS Group under Construction</u>	
NAICS Group 236: (excluding 233110)	
Small Business	70.2
Emerging Small Business	36.0
NAICS Group 237:	
Small Business	66.1
Emerging Small Business	59.2
NAICS Group 238:	
Small Business	54.2
Emerging Small Business	40.5
<u>Refuse Systems and Related Services:</u>	
Small Business	94.7
Emerging Small Business	9.2
<u>Architectural & Engineering:</u>	
Small Business	70.8
Emerging Small Business	10.3
<u>*Non-Nuclear Ship Repair:</u>	
Small Business	(-)
Emerging Small Business	(-)

*(-) No Activity